



Shanghai Municipal Council.

July 3rd

1916.

Sir,

It is reported that Admiral Sah, who is staying in the Palace Hotel visited the Arsenal on the afternoon of 1st inst and had a long consultation with General Yang. It is said that they discussed the abolition of the post of Deputy Military Governor of Shanghai, the combination of the army and navy, and the withdrawal of surplus troops at present in the vicinity of Shanghai.

It is reported that a representative of Admiral Lee Ting Sung called on Admiral Sali on 1st inst and that they almost reached an agreement regarding the cancellation of the independence of the Navy.

On the afternoon of 1st inst several naval officers and men held a meeting at No.276 Rue Kraetzer and had a discussion as to whether they should agree or not to the cancellation of independence. They failed to decide on any definite course of action.

It is expected in well informed circles in the City that the services of Zoe Kou Liang will soon be dispensed with.

At 2.40 p.m. 2nd inst a bomb explosion occurred at No.53 Rue Marcel Tillot as a result of which one man was killed, while one man, three women and three children were injured. It appears that the occupants of the house in question were rebels, and that they were engaged in making bombs. Some of the bombs had become wet and they had been placed on the verandah to dry. It was one of these which exploded. The explosion was very severe. The house where it occurred was almost demolished, and the houses adjoining it on either side were damaged.

Commencing from Wednesday 5th inst the workmen who were recently discharged from the Arsenal will be reinstated.

General Yang is indisposed since Saturday night. He is suffering from diarrhea.

There are only two detectives employed by the Arsenal at present. The others were paid two months wages and discharged.

Yours Obedient Servant,

Chief Detective Inspector.

ptain Superintendent of Police.